

## **EMPLOYMENT MATTERS COMMITTEE**

**2 FEBRUARY 2022**

### **PAY NEGOTIATIONS 2022/2023**

Report from/author: Samantha Beck-Farley, Head of Human Resources

#### **Summary**

To present Members with a report on the progress of the pay negotiations for the financial year 2022/2023.

#### **1. Budget and policy framework**

- 1.1 The 2022/2023 pay negotiations are a matter for this Committee
- 1.2 This report covers the progress on the annual pay negotiations with the Trade Unions (TUs) for the financial year 2022/2023.

#### **2. Background**

- 2.1 This Committee considers all pay negotiations with the Trade Unions.
- 2.2 The Council came out of the national agreement in April 2013 and has since then entered formal negotiations on pay awards with the TUs.
- 2.3 The procedure for pay negotiations was agreed by the TUs and this Committee in February 2013 and is set out in the attached Protocol for annual local pay and conditions negotiations document (Appendix 1); the Council will continue to follow this procedure in its discussion with the TU's.
- 2.4 A Diversity Impact Assessment has been carried out on the pay negotiations, and is attached to this report (Appendix 2).

#### **3. Pay Negotiations Protocol 2022/2023**

##### **3.1 Progress to date:**

Action 1: Completed - The Head of HR Services met with the TUs on 7th September 2021. At this meeting, the Head of Finance Strategy gave the TUs an overview of the Council's medium term financial strategy, and informed them that

in line with previous years, the MTFs assumed a 1% increase to staff pay effective from April 2022 with a reminder that in addition to any increase resulting from negotiations under the Pay Protocol, that this budget also includes any statutory increases to the National Living Wage and National Minimum Wage, as well as increases negotiated nationally to cohorts of staff employed on non-MedPay terms and conditions.

Action 2: Completed – The Head of HR Services, invited the TUs (Unison and GMB) to submit their joint pay claim by no later than 22nd October 2021.

Action 3: Completed - The joint pay claim was not received. An extension was granted to 25th October 2021. A pay claim from Unison was received on 25th October 2021 and the details of the claim are set out at Section 4 of this report. This was confirmed as a joint claim with GMB on 27th October 2021.

Action 4: Completed - A meeting with the Chief Executive, Head of HR Services and representatives from Unison and GMB was held on 16th November 2021.

Action 5: Completed - Meetings of the Joint Consultative Committee and Employment Matters Committee were held on 30th November 2021.

Action 6 a), b), c): Part complete – A further meeting was held with the Head of HR and the Chief Executive on 17<sup>th</sup> January. No further official claim was submitted. Meetings of the Joint Consultative Committee and Employment Matters Committee are scheduled for 2nd February 2022.

Action 7: A meeting of Full Council is scheduled for 24th February 2022.

## 4. The Unison pay claim

- 4.1 The joint TU pay claim for 2022/2023 is as follows:
- A 7.5% increase on all pay bands
  - The deletion of all pay points below £10 per hour
  - A return to NJC national bargaining power

## 5. Analysis of the Unison pay claim

- 5.1 The pay claim relates to MedPay pay arrangements only, members are reminded that MedPay is not based on a pay point system but on staff being paid in accordance with their respective pay range.
- 5.2 No cost analysis has been completed on the third element of the pay claim.
- 5.3 The financial implication of applying a 7.5% COLA increase (including oncosts) to the salary bill equates to c£5,127,138
- 5.4 The financial implications of the new minimum MedPay salary of £10 per hour increase to the salary bill equates to c£305,246. 804 employees would benefit from a minimum of £10 per hour.

- 5.5 The impact of applying a 7.5% COLA increase and a new minimum of £10 per hour (including oncosts) increase to the salary bill equates to c£5,528,711.
- 5.6 The financial implications of applying 7.5% COLA increase, a new minimum of £10 per an hour and the statutory increases (increments and NMW/NLW) increase to the salary bill equates to c£5,929,430.

## 6. Analysis of Statutory Increases

- 6.1 Typically in October each year, Government announced statutory increases to both the National Minimum Wage (NMW) and National Living Wage (NLW) to be applied from the following April. The details of these statutory increases are 6.6% per hour for the NLW.
- 6.2 The cost of applying this NLW statutory increases equates to c£265,010.
- 6.3 608 colleagues will benefit from these statutory increases
- 6.4 The new bottom of R2 will be £18,329 up from the current £17,359
- 6.5 Government has also announced statutory increases to the Apprenticeship rate to be applied from April 2022. The details of these statutory increases are 11.9% per hour.
- 6.6 Due to the increase at level 2, levels 3 and 4 also need to have a new rate.
- 6.7 The total costs including the proposal and the statutory new apprentice rate are c£34,851.

## 7. The Council's pay offer

- 7.1 Members are reminded that the Pay Award was not awarded in April 2021, there was instead a one-off thank you payment to all staff recognising their efforts during the pandemic.
- 7.2 Members are reminded that the pay award agreed for April 2020 consisted of:
- 1.6% applied as a general cost of living increase;
  - 0.40% paid in accordance with MedPay performance arrangements;
- 7.3 The Council's pay offer to the Trade Unions for the pay year 2022/2023 is:
- We are retaining a 1% allocation for pay.

## 8. Exceptions

- 8.1 There are 36 employees who are engaged under nationally negotiated terms and conditions of employment who are entitled to receive pay increases and automatic

incremental pay progression i.e. those engaged under Soulbury, LNFA and NHS (Public and Mental Health) terms. They are therefore not covered by this local

## 9. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Loss of staffing  Employee engagement - moral and satisfaction	The risks arising from this report relate to the morale and satisfaction of employees. In these times of austerity it is extremely difficult for the council to allocate significant funds to pay rises. However, we wish to remain a good employer and ensure that employees are committed to the council and continue to enjoy working here. However, the procedural or legal risks will be minimised as all decisions will be made in accordance with the council's processes and protocol for managing the annual local pay and conditions negotiations	Medpay Review  Benefits to employees, non salary related  Consideration given to preserving the 1% although attribution under the existing Medpay scheme would prove difficult	D3

## 10. Climate change implications

- 10.1 Whilst this has neither a positive or negative climate change/carbon emission implication, it should be noted that any other form of recognition, i.e. mileage costs would need to be considered.

## 11 Financial implications

- 11.1 The financial implications of the joint TU pay claim and the statutory wage increases are c£5,929,500 this is detailed in paragraphs 5 and 6.
- 11.2 The financial implications of applying a 1% COLA increase (including oncosts) to the salary bill equates to c£666,200.
- 11.3 The financial implications of applying statutory increases (increments and NMW/NLW) and a 1% COLA increase to the salary bill equates to c£1,056,000.
- 11.4 The financial implication of applying statutory increase and proposed increase at level 2 and 3 for the apprenticeship rates to the salary bill equates to c£34,850
- 11.5 These statutory increases on the salary bill are higher than the initial figure quoted in the MTF (£907,125) which presents a pressure of £183,725

## 12 Legal implications

- 12.1 It is important that negotiations and decision-making relating to these negotiations follow the Council's processes to minimise the risks of any legal challenges.
- 12.2 The legal implications are shown in paragraph 6 above.

## 13. Recommendations

- 13.1 That the Committee recommend to the full Council that £1,090,850 is allocated for pay awards.
- 13.2 That the Council is recommended to delegate to the Head of Paid Service the authority to agree the competency based awards for staff assessed under MedPay at Levels 1A, 1B and 2.

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## Appendices:

Appendix 1 - Protocol for annual local pay and conditions negotiations document  
Appendix 2 - Diversity Impact Assessment

## Background papers:

None